

Message Text

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ORIGIN L-03

INFO OCT-01 ISO-00 /004 R

66611

DRAFTED BY: L/AF:JROHWER:MMP

APPROVED BY: L/AF:JROHWER

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O R 111809Z JUL 75

FM SECSTATE WASHDC

TO AMEMBASSY LUSAKA IMMEDIATE

INFO AMEMBASSY NAIROBI

UNCLAS STATE 163460

FOR FRANKLIN WILLIS

FOLLOWING REPEAT OSLO 2873 ACTION SECSTATE INFO

JOHANNESBURG MONTREAL MOSCOW 10 JULY.

QUOTE

UNCLAS OSLO 2873

JOHANNESBURG FOR WILLIS

E.O. 11652: N/A

TAGS: EAIR, ICAO, NO

SUBJECT: DIPLOMATIC CONFERENCE OF AIR LAW

REF: OSLO 2689, STATE 157121

THE NORWEGIAN MINISTRY OF JUSTICE HAS PREAPRED THE FOLLOWING
DRAFT PROPOSAL TO BE SUMITTED TO THE INTERNATIONAL AIR LAW
CONFERENCE, MONTREAL, SEPTEMBER 1975. BEFORE NORWAY SUBMITS
THE PROPOSAL TO THE CONFERENCE, IT IS INTERESTED IN HAVING
BEFORE 1 AUGUST 1975 ANY COMMENTS ON THE IDEAS IN THE DRAFT
AND INDICATIONS OF INTEREST IN CO-SPONSORSHIPPING A PROPOSAL
OF THIS KIND.

THREE TECHNICAL ANNEXES MENTIONED IN THE DRAFT HAVE NOT BEEN
UNCLASSIFIED

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INCLUDED, AND THE AMOUNTS EXPRESSED IN SPECIAL DRAWING RIGHTS
HAVE NOT BEEN ROUNDED OFF. THE DRAFT FOLLOWS BELOW:

1) TO AMEND ARTICLE 22 PARAGRAPHS 2 A) AND 5 OF THE

WARSAW-HAGUE CONVENTION IN THE NEW INSTRUMENT ON CARGO,

2) TO INCLUDE ON THE AGENCA FOR THE INTERNATIONAL CONFERENCE THE QUESTION OF AMENDING THE WARSAW CONVENTION, THE HAGUE PROTOCOL AND THE GUATEMALA CITY PROTOCOL WITH RESPECT TO THE EXPRESSION OF THE LIMITATION AMOUNTS IN THE INSTRUMENTS.

3) TO SUBSTITUTE SPECIAL DRAWING RIGHTS FOR FRANCS IN THESE INSTRUMENTS.

1. THE LIMITS OF LIABILITY SET OUT IN THE WARSAW CONVENTION AND IN THE PROTOCOLS THERETO ARE EXPRESSED IN POINCARE-FRANCS. THIS FRANC CORRESPONDS TO A SPECIFIED AMOUNT OF GOLD. - THE LIMITS SET OUT IN THESE INSTRUMENTS HAVE TO BE CONVERTED INTO NATIONAL CURRENCIES. FOR THIS PURPOSE THE INSTRUMENTS PROVIDE THAT CONVERSION OF THE SUMS INTO NATIONAL CURRENCIES SHALL IN CASE OF JUDICIAL PROCEEDINGS, BE MADE ACCORDING TO THE GOLD VALUE OF SUCH CURRENCIES AT THE DATE OF THE JUDGMENT. THE USE OF GOLD AS A UNIT OF ACCOUNT PRESUPPOSES THE EXISTENCE OF A VALUE OF GOLF IN TERMS OF THE CURRENCY OF EACH CONTRACTING STATE. THIS ALREADY GIVES RISE TO DIFFICULTIES IN SOME COUNTRIES. PROPOSALS TO ABOLISH THE OFFICIAL PRICE OF GOLD ARE UNDER STUDY IN THE INTERNATIONAL MONETRAY FUND; IF, AS SEEMS LIKELY THIS IS CARRIED OUT, THERE WILL BE, NO LONGER AN INTERNATIONALLY RECOGNIZED OFFICIAL VALUE OF GOLD.

THE REUSLT COULD BE THAT CONVERSION OF FRANCS INTO NATIONAL CURRENCIES IN MANY COUNTRIES WOULD HAVE TO BE MADE ON THE BASIS OF THE SO-CALLED FREE MARKET PRICE OF GOLD. THIS PRICE IS AT PRESENT ABOUT \$170 PER OUNCE, WHICH WOULD LEAD TO QUADRUPLING THE LIMITS. FOR THESE REASONS THE SPONSORS OF THIS PROPOSAL ADVOCATE THAT THE LIMITS IN THE NEW CARGO PROTOCOL SHOULD BE EXPRESSED IN A UNIT OTHER THAN GOLDFRANCS. THE REPLACEMENT OF THE GOLD-FRANC WITH ANOTHER UNIT OF ACCOUNT CAN SOLE THE PROBLEM. THE NEW UNIT MUST BE UNCLASSIFIED

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GENERALLY RECOGNIZED, AND A CORRECT DAILY QUOTATION SHOULD BE AVAILABLE. FOR THESE REASONS THE SPONSORS PROPOSE THE USE OF THE SPECIAL DRAWING RIGHT (SDR) AS THE UNIT OF ACCOUNT IN ARI-LAW CONVENTIONS. THE SPECIAL DRAWING RIGHT IS A UNIT OF ACCOUNT ESTABLISHED BY THE INTERNATIONAL MONETARY FUND, A SPECIALISED AGENCY OF THE UNITED NATIONS WITH 126 MEMBERS. THE INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA) HAS ALREADY ADOPTED IN PRINCIPLE THE SDRS FOR DETERMINING AIR FARES AND ACCOUNTING PRUPOSES. THE VALUE OF ONE US \$ WAS ON 1 JULY 1975 SDR 0.809985. IN THE PROPOSALS UNDER 3 BELOW THE PRESENT LIMITS HAVE BEEN EXPRESSED IN SDRS EQUALING THE LIMITS IN POINCARE-FRANCS. THE CONVERSION HAS BEEN MADE ON THE BASIS OF THE GOLD-VALUE

OF SDR BEFORE JULY 1, 174.

2. IN THE NEW CARGO PROTOCOL ARTICLE 22 PARAGRAPH 2 A)
OF THE WARSAW CONVENTION AS AMENDED BY THE HAGUE
PROTOCOL SHOULD BE AMENDED TO READ: "IN THE CARRIAGE
OF CARGO, THE LIABILITY OF THE CARRIER IS LIMITED TO A
SUM OF SPECIAL DRAWING RIGHTS PER KILOGRAME,

....."

AND PARAGRAPH 5 TO READ: "THE SUMS MENTIONED IN SPECIAL
DRAWING RIGHTS IN THIS ARTICLE SHALL BE DEEMED TO REFER
TO THE SPECIAL DRAWING RIGHT AS ESTABLISHED BY THE
INTERNATIONAL MONETARY FUND WITH EFFECT FROM 1 JULY 1974,
AND AS MODIFIED FROM TIME TO TIME. THESE SUMS MAY BE
CONVERTED INTO NATIONAL CURRENCIES IN ROUND FIGURES.
CONVERSION OF THE SUMS INTO NATIONAL CURRENCIES SHALL,
IN CASE OF JUDICIAL PROCEEDINGS, BE MADE ACCORDING TO
THE VALUE OF SUCH CURRENCIES IN TERMS OF SPECIAL DRAWING
RIGHTS AT THE DATE OF THE JUDGMENT. HOWEVER, A STATE
PARTY TO THIS PROTOCOL WHICH IS NOT A MEMBER OF THE INTER-
NATIONAL MONETARY FUND SHALL DETERMINE THE MANNER IN WHICH
THESE SUMS SHALL BE CONVERTED INTO ITS NATIONAL CURRENCY."

3. THE SPONSORS ARE OF THE OPINION THAT IT IS NECESSARY
THAT SIMILAR AMENDMENTS BE MADE TO THE WARSAW CONVENTION,
THE HAGUE PROTOCOL AND THE GUATEMALA CITY PROTOCOL 1) AND
PROPOSE THAT THE QUESTION OF SUCH AMENDMENTS - WHICH ARE
OF A PURELY TECHNICAL NATURE - BE INCLUDED IN THE AGENDA
OF THE INTERNATIONAL CONFERENCE ON AIR LAW TO BE HELD
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AT MONTREAL FROM 3 TO 25 SEPTEMBER 1975. THE AMENDMENT
SHOULD BE DONE BY ADOPTING A PROTOCOL TO EACH OF THESE
INSTRUMENTS.

THE TABLE BELOW SHOWS HOW THE LIMITATION AMOUNTS IN THE
THREE INSTRUMENTS WILL HAVE TO BE AMENDED. THE FULL
TEXT OF THE PROPOSALS ARE TO BE FOUND IN ANNEXES 1-3 TO
THIS DOCUMENT.

FRANCS	SDRS	WARSAW CONV. PROTOCOL	HAGUE PROTOCOL	GUATEMALA CITY
1,500,000	99,502,5		ART.22 PARA.1A)	
250,000	16,583,75	ART.22 P.1		
187,000	12,437,81		ART.42 P.2&3	
125,000	8,291,88	ART.22 P.1		
62,500	4,145,94		ART.22 P.1B)	
15,000	995,03		ART.22 P.1C)	
5,000	331,68	ART.22 P.3	ART.22P.3	
250	16,58	ART.22 P.2A)	ART.22 P.2A)	ART.22P.2A)

1) A SIMILAR AMENDMENT SHOULD ALSO BE MADE TO THE ROME-CONVENTION.
HOWEVER, AS THE LEGAL COMMITTEE IS PRESENTLY STUDYING THIS CONVENTION

,

IT HAS NOT BEEN INCLUDED BELOW.
BUCHANAN UNQUOTE INGERSOLL

UNCLASSIFIED

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, CIVIL AVIATION, DIPLOMATIC DISCUSSIONS, DRAWING RIGHTS AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE163460
Document Source: ADS
Document Unique ID: 00
Drafter: L/AF:JROHWER:MMP
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D750240-0664
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197507105/baaaaozn.tel
Line Count: 167
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN L
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 13 JAN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 JAN 2003 by ThomasVJ>; APPROVED <15 MAR 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: EAIR, NO, ICAO
To: LUSAKA INFO NAIROBI
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006